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COSTA RICA

MINISTER WELCOMES INVESTIGATION OF MUTUAL FUNDS

[Statements by the minister of foreign relations, Gonzalo Facio, on mutual funds; San Jose, La Republica, Spanish, 10 January 1973, p 24]

The minister of foreign relations, attorney Gonzalo Facio, said the following with reference to a news report:

Regarding mutual funds, there are two diametrically opposed theses: a) the one defended by Wall Street, which consists in absorbing private savings -- not only of the rich countries but also of underdeveloped countries -- in order to finance large U.S. and West European firms; and b) the one that President Figueres supports, which reverses the equation: that is, it proposes the investment of mutual funds money in the financing of firms in poor countries.

Of course, the "world financial establishment" symbolized in the words "Wall Street" is violently opposed to the use of a part of or all mutual funds money for the development of poor countries. They try to continue concentrating the entire wealth and financial power of the industrialized countries. Because they have at their disposal all the machinery of news agencies and propaganda, every time someone tries to limit their business they unleash against him the enormous power of their publicity machinery.

Paradox

The sad thing is that not only the [press] organs representing the large conservative economic forces of the developing countries -- to whose advantage it is that the money come in -- but also, and paradoxically, university professors and some politicians who claim that they are struggling to achieve a change in the status quo maintained by Wall Street, succumb to the effect of this propaganda.

So we see that in Costa Rica not only La Nacion -- the maximum representative of the "establishment" -- has raised the banner against those who are trying to achieve the return to the country -- indirectly -- of the millions of dollars that the mutual funds and other organizations had taken out to finance U.S. and European firms, but the ideologues of the new order, natural enemies of the establishment defended by La Nacion, as a vehicle of Wall Street, have joined this campaign because of their lack of information.

Investigation

A group of these professors who favor the new order, and who now find themselves involuntarily allied with the "establishment," have asked the President of the Legislative Assembly to investigate the financial activities of Robert Vesco and Clovis McCalpin and their respective companies in Costa Rica. Attorney Daniel Oduber very wisely told them that he would propose an investigation of the activities, not of one person, but of mutual funds in Costa Rica. This position, far from bothering, has pleased the executive, because the executive knows very well that if the investigation is serious it will only support the arguments in favor of the thesis on the role of mutual funds in Costa Rica maintained by President Figueres with the logical support of his entire cabinet.

Therefore, the report published in La Prensa Libre is completely wrong in saying that the National Liberation Party faction's approval of the investigation proposal which will be submitted by attorney Oduber will bring about a break between the executive and that faction. That is what the politicians who probably inspired the note want. But this will not happen, because as I said before, the executive is in favor of the investigation. It is certain that it will show the opposite of what its promoters want, that is, that the financial operations carried out in Costa Rica by the representatives of the two groups of mutual funds -- which have no links with each other -- the McCalpin and the Vesco groups had done nothing illegal or shady, and that far from harming the country have brought it great benefits.

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